

FINANCE COMMITTEE MONTHLY MEETING
WEDNESDAY, MAY 17, 2017
POINT BREEZE HEADQUARTERS BUILDING
BALTIMORE, MARYLAND

OPEN SESSION

MEMBERS ATTENDING: Jack Basso
Katherine Bays Armstrong
John Von Paris

STAFF ATTENDING: Kerry Brandt
Joyce Diepold
Allen Garman
Chantelle Green
James Harkness
Cheryl Jordan
Heather Koeberle
Cheryl Lewis-Orr
Kimberly Millender, Esq.
Kevin C. Reigrut
Tim Wendt
Alison Williams
George Zurek

At 9:07 a.m., Member Jack Basso, Chair of the Finance Committee, called the Finance Committee Meeting to order.

Approval – Open Meeting Minutes from April 11, 2017 Meeting

Member Basso called for the approval of the meeting minutes from the meeting held on April 11, 2017. Member Katherine Bays Armstrong made the motion to approve the minutes, Member John Von Paris seconded the motion, and the motion was passed unanimously.

Approval – Metrorail Bonds – Surcharge Agreement Amendment

Ms. Alison Williams requested a recommendation for approval from the Finance Committee of an amendment to the Amended and Restated Surcharge Implementation Agreement by and among the Washington Metropolitan Area Transit Authority (WMATA), Prince George's County, and the Maryland Transportation Authority (MDTA).

WMATA and Prince George's County requested the MDTA's approval to withdraw up to \$6 million dollars in support of a transit-oriented development at the New Carrollton Metrorail station. MDTA staff, including Finance, Legal Counsel, and Bond Counsel, reviewed the amendment and the financial impact of the withdrawal and concluded that sufficient security for the holders of the 2014 Refunding Bonds will remain in place following the withdrawal of funds.

Member Basso expressed concern about not receiving this item for review prior to the meeting, and he then called for the approval of the Surcharge Agreement Amendment. Member Armstrong made the motion to approve, Member Von Paris seconded the motion, and the motion was passed unanimously.

Update – Cash Flow and Cash Spending

Mr. Allen Garman reviewed the implications of cash flow projections on future financing needs and reported on capital spending versus projections. Cash spending for the capital program through April 2017 totaled \$160.7 million, or 58%, of the spending projections based on the Final FY 2017-2022 Consolidated Transportation Program. Spending for the Intercounty Connector (ICC), I-95 Express Toll Lanes (ETL) and Other Projects totaled 19%, 66%, and 59% of projections, respectively. No new-money financings are likely needed through FY 2021, though refinancing transactions for economic savings are possible beginning in 2017.

Update – Investment Committee Report

Mr. Garman provided an update on the activities of the Investment Committee for the period ended March 31, 2017. Mr. Garman reviewed market conditions, portfolio strategies, total return performance, and dealer trade allocations. He also discussed certain market drivers that may influence portfolio performance in the coming months, including the economy, fiscal policy, and Federal Reserve monetary policy.

Update – Quarterly Traffic and Revenue Performance Report

Ms. Cheryl Lewis-Orr provided a detailed analysis of traffic and revenue trends as compared to the previous year and to the forecast for the legacy facilities, ICC, and ETL. The quarterly report reviews performance through March 31, 2017, and provides a more in-depth analysis than is available in the monthly reports published immediately after month end. In the first nine months of the fiscal year, transactions and revenues are running slightly ahead of the forecast.

Update – Traffic and Revenue

Ms. Lewis-Orr provided an update on transactions and revenue for the month ending April 30, 2017. System-wide toll revenue for the month ending April 30, 2017, was \$58.0 million and fiscal year-to-date revenue was \$556.6 million. When comparing fiscal year-to-date system-wide toll revenues to the Base Case revenue forecast, system-wide toll revenues exceed the forecast by \$10.1 million, or 1.9%.

System-wide transactions for the month ending April 30, 2017, were 14.0 million and fiscal year-to-date transactions were 135.4 million. When comparing fiscal year-to-date system-wide transactions to the Base Case transaction forecast, system-wide transactions exceed the forecast by 1.9 million, or 1.4%.

Closed Session

At 9:58 a.m., upon motion by Member Armstrong and seconded by Member Von Paris, the Members voted unanimously to move into Closed Session under § 3-305(b)(8) of the General Provisions Article of the Annotated Code of Maryland, to discuss matters related to pending litigation regarding SHA Contract No. AT3765D60 - MD 200, Intercounty Connector Contract D/E Modified Design.

Members Armstrong, Basso, and Von Paris were in attendance for the Closed Session. The following staff was present during the closed session: Mark Coblenz; Chantelle Green; James Harkness; Cheryl Jordan; Robert Michael; Kim Millender, Esq.; and Kevin C. Reigut.

At 10:30 a.m., a motion was made by Member Armstrong and seconded by Member Von Paris, which was unanimously approved, to adjourn the Closed Session and return to Open Session.

Open Session

Ratification of Action Taken During Closed Session – Pending Litigation involving the Intercounty Connector Contract D/E Modified Design Build Project

Upon motion by Member Von Paris and seconded by Member Armstrong, the Members ratified their unanimous vote in Closed Session to recommend approval by the MDTA Board of the negotiated settlement agreement.

There being no further business, the meeting of the Finance Committee adjourned at 10:32 a.m., following a motion by Member Armstrong, and seconded by Member Von Paris.